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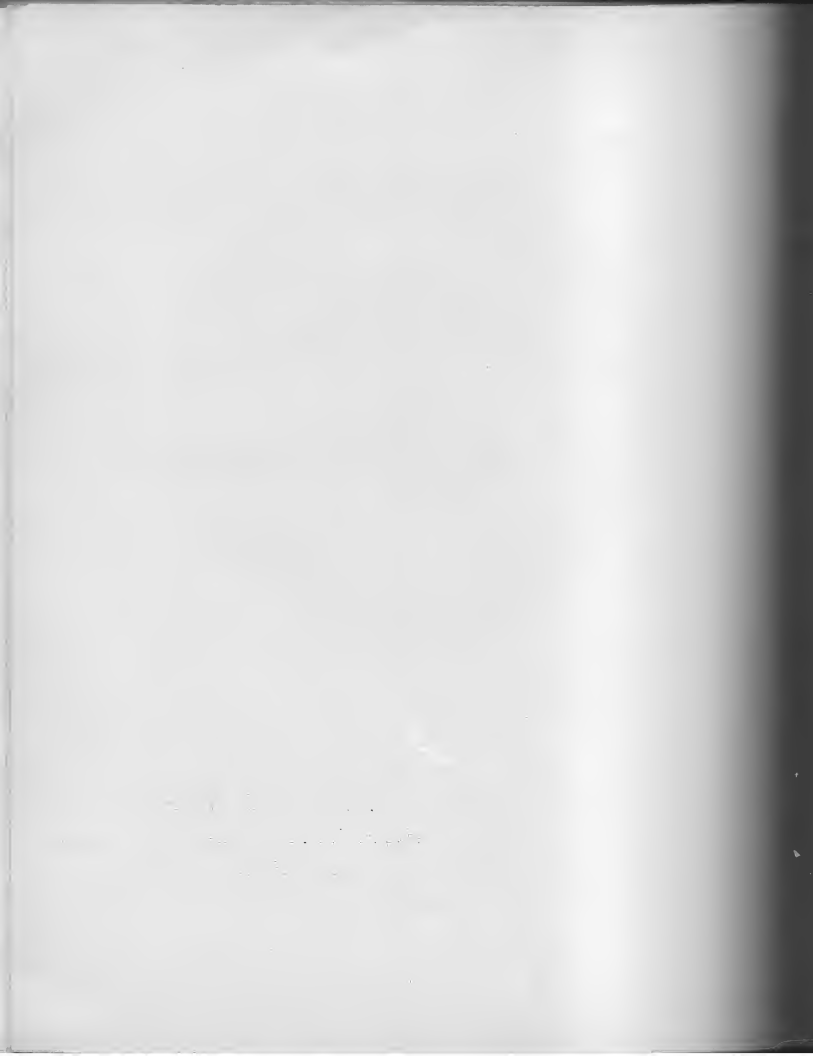
N.Y. City
Transit
Authority



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ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 1957

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Annual Report

for the year

July 1, 1956 to June 30, 1957

**New York City
Transit Authority**

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October 1957

NEW YORK CITY TRANSIT AUTHORITY

370 JAY STREET
BROOKLYN 1, N. Y.

TELEPHONE ULSTER 2-5000

MEMBERS

CHARLES L. PATTERSON
Chairman
E. VINCENT CURTAYNE
JOSEPH E. O'GRADY

THOMAS J. McLERNON
General Manager
DANIEL T. SCANNELL
General Counsel
WM. JEROME DALY
Secretary

October 1, 1957

In accordance with the provisions of the Public Authorities Law there is presented herewith the Annual Report of the New York City Transit Authority for the fiscal year ended June 30, 1957 setting forth the operations, the financial condition, and the receipts and expenditures of the Authority during the year.



CHARLES L. PATTERSON, *Chairman*



E. VINCENT CURTAYNE, *Member*



JOSEPH E. O'GRADY, *Member*

INTRODUCTION

The year covered by this report, from July 1, 1956 to June 30, 1957, was a year of steady progress in improving efficiency of operations.

Financially the Authority is now in better position than it was a year ago. Although rapid transit operations showed a smaller operating surplus than the preceding year, in surface operations, last year's deficit has been converted to a surplus.

Service to the public has been improved by new schedules, modern equipment, and the continued betterment of the physical condition and appearance of the fixed plant and rolling stock of the transit system.

While there was a slight decrease in the total number of passengers carried on the system, it was the smallest annual decrease since 1948, and the number of passengers carried on the surface lines increased over the previous year. There is an indication that the decline in traffic is ending, and there is hope for increased riding in the future.

Relations with employees through their recognized organizations have been stable and amicable. Improvements in wages, benefits, and working conditions were made during the year.

This year can be characterized as one of consolidation of gains made last year, and further advance along the lines mapped out to provide the best transit service at the lowest attainable cost for all who use, and benefit from, the transit system.

Revenue	Total New York City Transit System		
	Fiscal Year Ended		Change
	June 30, 1957	June 30, 1956	
From Passengers	\$258.1	\$258.8	\$-0.7
From Other Sources	6.4	6.3	+0.1
Total	<u>\$264.5</u>	<u>\$265.1</u>	<u>\$-0.6</u>
Expenses			
For Salaries, Wages, and Associated Personnel Costs.....	\$206.6	\$211.2	\$-4.6
For Materials, Supplies, and Power	33.5	34.4	-0.9
For Reserves	11.1	3.9	+7.2
For Other Purposes	6.8	6.6	+0.2
Total	<u>\$258.0</u>	<u>\$256.1</u>	<u>\$+1.9</u>
Excess of Revenue Over Expenses	<u>\$ 6.5</u>	<u>\$ 9.0</u>	<u>\$-2.5</u>

* \$6,904.69

The outstanding achievement of the year was the operation of the surface lines on a self-sustaining basis. While the \$6,900 excess of revenues over expenditures is small in terms of the size of the Authority's operations, it is gigantic in comparison with the deficit of \$4,100,000 in the preceding year, and larger deficits in previous years.

REVENUES

The decline in passengers carried was the smallest since 1948, and there are reasons for the optimistic expectation that the next year will see the end of the long period of declining riding.

At the start of the year, based on the experience of prior years, the Authority had anticipated a decline in passenger revenues of approximately 1%. If the revenues of the Rockaway Line, which started operation on June 28, 1956, are eliminated from the above revenue figures, the actual decline from the preceding year was 0.7%, made up of a decline of 0.8% on the rapid transit lines, and less than 0.3% on the surface lines.

Part of the decline was due to calendar incidents, for example, 1956 was a leap year and contained an additional day. Part was due to a decrease in the average fare per passenger as a result of the continually increasing proportion of school children carried at reduced fares. The average fare collected on the system, again excluding the Rockaway Line, declined from 14.57¢ in the last year to 14.54¢ this

OF OPERATIONS

OPERATING RESULTS

(Millions)

Rapid Transit Lines			Surface Lines		
Fiscal Year Ended			Fiscal Year Ended		
June 30, 1957	June 30, 1956	Change	June 30, 1957	June 30, 1956	Change
\$200.7	\$201.3	\$-0.6	\$57.4	\$ 57.5	\$-0.1
5.9	5.8	+0.1	0.5	0.5
<u>\$206.6</u>	<u>\$207.1</u>	<u>\$-0.5</u>	<u>\$57.9</u>	<u>\$ 58.0</u>	<u>\$-0.1</u>
\$158.0	\$159.9	\$-1.9	\$48.6	\$ 51.3	\$-2.7
28.6	28.2	+0.4	4.9	6.2	-1.3
8.7	1.3	+7.4	2.4	2.6	-0.2
4.8	4.6	+0.2	2.0	2.0
<u>\$200.1</u>	<u>\$194.0</u>	<u>\$+6.1</u>	<u>\$57.9</u>	<u>\$ 62.1</u>	<u>\$-4.2</u>
<u>\$ 6.5</u>	<u>\$ 13.1</u>	<u>\$-6.6</u>	<u>*</u>	<u>\$-4.1</u>	<u>\$+4.1</u>

year. Based on the number of passengers carried this represents a decrease of over \$500,000 in total passenger revenue.

The increase in revenue from other sources is made up of increased income from time deposits and concessions less a small decrease in revenues from advertising. Efforts to increase concession revenues were continued with success during the year and additional areas on many stations were rented to various kinds of concessionaires.

The Authority took prompt advantage of rising interest rates and placed funds not required for current operating expenses in higher interest bearing time deposit accounts in various banks. The rate of return on such accounts during the current year was more than one-third greater than in the previous year.

EXPENSES

Expenses for Salaries, Wages and Associated Personnel Costs were substantially reduced. These include salaries and wages paid to employees, contributions to the New York City Employees Retirement System and payment of the Authority's share of the premiums for the Health Insurance Plan and Blue Cross. The reduction on the surface lines was proportionately much greater than on the rapid transit lines. These reductions were made despite a contractual increase of 7¢ per hour to hourly rated employees on July 1, 1956, salary increments to supervisory employees, and salary adjustments required under the New York City Career and Salary Plan.

The major factor in this decrease was the continuation of the Authority's drive for greater efficiency in all operating, maintenance, and administrative activities. Other important factors were the acquisition of new equipment, the elimination of the extremely high cost trolley car operations, and mileage reductions in the relatively unpatronized off-peak service on certain surface lines. The result of these and other factors was a reduction in the number of operating employees by 2101 during the year.

No employee lost his job in this reduction of the work force. It was accomplished through a policy of attrition whereby unnecessary jobs were not filled as they became vacant, and excess employees were used to fill essential job vacancies that arose through normal separations from service.

Pension costs were decreased for the year as a result of a revision in the method of computation of the Authority's share by the New York City Employees Retirement System.

With the improvement in efficiency it was possible to achieve a higher level of maintenance of equipment and structures, and to improve rapid transit service and rush-hour service on the surface lines, and at the same time reduce costs.

The same factors that permitted a reduction in the number of employees, together with better control of materials, made it possible to reduce the cost of Materials, Supplies and Power on the surface lines. On the Rapid Transit lines the increase in this item is due entirely to greater expenditures for purchased power and for coal and fuel oil to generate power. The increases result from increased costs of coal and oil which are also reflected in the rate for purchased power, and from increased purchases of power for the operation of the Rockaway Line. Expenditures for other materials and supplies for the rapid transit lines were substantially reduced.

RESERVES

Under this heading are included amounts, determined by experience, needed to pay for the liabilities incurred during the year for Workmen's Compensation and Public Liability claims, and for Deferred Maintenance.

The Authority is liable for all public liability

costs resulting from accidents occurring on and after June 15, 1953. Because of the time required for tort actions to be reached on court calendars, their full impact will not be felt until the 1957-58 fiscal year. At that time it is anticipated that the cost will be in excess of \$4,000,000 per year. At the beginning of this year approximately 5200 claims and 4900 actions were pending. During the year nearly 8100 claims were filed. The total amount sued for in actions commenced totaled over \$66,000,000. During the year, 4465 claims and actions were terminated, settled or tried, at a total cost to the Authority of over \$3,000,000.

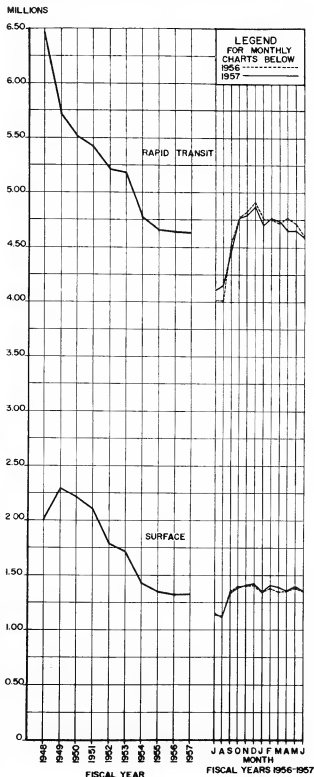
As a result of current experience computations, Workmen's Compensation and Public Liability reserves have been increased by about \$1,000,000 over last year. This is made up of an increase of \$1,300,000 on the rapid transit lines, as a result of increasing costs, and a decrease of \$300,000 in the amount reserved on the surface lines made possible by more favorable experience.

This year the Authority found it necessary to set aside a Deferred Maintenance reserve of \$6,200,000, of which all but approximately \$70,000 has been allocated for work on the rapid transit lines. During the 1955-56 fiscal year the Authority had found that there were ample funds in the Deferred Maintenance reserve to carry on all the work that was required and could be done, and no additional funds were reserved for this purpose. At the start of this year additional funds were required to continue essential deferred maintenance work, and they were made available. This money has been authorized for expenditure by the Authority for the continuance of the programs for rehabilitation of track and roadbed to bring them up to a better level of maintenance, for painting of stations and elevated structures which had been neglected for years, for extensive repairs to the Myrtle Avenue Line, for the modification and improvement of 900 BMT cars, and for many other smaller projects necessary to the proper operation and maintenance of the system.

SURPLUS

At the close of this year the Authority's cumulative excess of revenues over expenditures amounts to \$24,352,000. This is a moderate surplus for an

NEW YORK CITY TRANSIT AUTHORITY
AVERAGE NUMBER OF PASSENGERS
PER WEEK DAY BY YEARS 1948-1957
& BY MONTHS FOR THE FISCAL YEARS 1956-1957



operation of this magnitude. Approximately \$6,000,000 of this will be required by the end of 1957 to pay the Authority's share of the cost of retroactive Social Security benefits granted to its employees. The remainder will provide an essential cushion against the necessity of an early increase in the fare if expenses increase during the next few years.

The Authority's contracts with organizations representing its hourly rated employees provide for a 3¢ per hour increase on July 1, 1957, and terminate on December 31, 1957. These organizations have already presented demands for substantial increases in wages and improvements in benefits and working conditions. If the country-wide inflationary trend of the past two years continues it will be extremely difficult, if not impossible, to deny these demands completely. As a result of this same trend, costs of materials and supplies and other purchased items and services are also expected to increase.

TRENDS IN RIDING

As stated earlier in this report, there are indications of the possibility of a reversal in the trend of steady decline in riding that has persisted since 1948, and of some improvement in the unequal distribution of riding between peak and off-peak hours. These indications while slight, and based solely on developments in the last year, are encouraging.

The graph of average number of passengers per weekday shows that on the rapid transit lines the decline this year is the smallest since 1948. On the surface lines there was an increase over the last year in the average weekday riding. Comparison of the average weekday riding on the rapid transit lines for the last two years month by month, shows five months when 1957 was higher than 1956. A similar comparison on the surface lines shows nine such favorable months.

Even when allowance is made for the Rockaway Line which operated for only a few days in the 1956 year, the direction of the changes remains unaltered. The surface line figures are unaffected by the Rockaway Line.

The following table shows an encouraging indication of a slowing down in the drop in the percentage that average Saturday, Sunday and Holiday riding is of average weekday riding.

AVERAGE NUMBER OF SATURDAY, SUNDAY AND HOLIDAY PASSENGERS AS A PERCENTAGE OF AVERAGE WEEKDAY PASSENGERS

Fiscal Year Ended June 30	Rapid Transit Lines	Surface Lines	System Total
1956	38.64%	51.85%	41.60%
1957	39.03	50.96	41.73

Here, too, the rapid transit and system total percentages are affected by the Rockaway Line, but not enough to change the increased percentage to a decrease if the effect of this line were eliminated. On the surface lines the decrease in the percentage is the smallest since 1948.

The following table shows that on the typical weekday on which the checks were made there was a very slight decrease in the concentration of riding in the rush hours. Again a reversal of a trend that has persisted for years.

PEAK HOUR RAPID TRANSIT PASSENGERS AS A PERCENTAGE OF 24 HOUR TOTAL ON A TYPICAL WEEKDAY

Fiscal Year Ended June 30	Heaviest Morning Hour	Heaviest Evening Hour
	8-9 AM	5-6 PM
1956	14.48%	15.59%
1957	14.30	15.41
	Two Morning Peak Hrs. 7-9 AM	Three Evening Peak Hrs. 4-7 PM
1956	27.11%	31.75%
1957	26.83	31.61

The figures in the above table are based on checks made only on one day each year, and the results shown may be due to a chance variation. However,

for many prior years the figures showed a steadily increasing concentration of riding in the rush hours.

While the figures on number of passengers carried are encouraging, it must be pointed out that the improved prospects on the rapid transit lines, and the actual increase in riders on the surface lines are caused by an increase in the number of school children carried at reduced fares of 5¢ per ride or less. During the last year over 68,000,000 school children were carried on the system, nearly 23,000,000 on the rapid transit lines, and over 45,000,000 on the surface lines. This compares with 31,000,000 on the system, 13,000,000 on the rapid transit lines and nearly 18,000,000 on the surface lines in the 1949 fiscal year, the first year reduced fare privileges were granted. This represents an increase of nearly 75% on the rapid transit lines, and over 150% on the surface lines.

As the following table shows, school children are becoming an increasing percentage of transit riders:

NUMBER OF REDUCED FARE SCHOOL CHILDREN AS A PERCENTAGE OF TOTAL PASSENGERS

Fiscal Year Ended June 30	Rapid Transit Lines	Surface Lines
1949	0.7%	2.8%
1954	1.1	7.1
1955	1.6	9.1
1956	1.6	10.2
1957	1.7	11.0

These children, in ever increasing numbers, are being subsidized by the other users of the transit system. This subsidy might more properly be financed as a direct educational cost, rather than a hidden charge on transit riders.



New bus of the type now in operation in Brooklyn, Queens and Staten Island.

REVIEW OF THE YEAR

CAPITAL IMPROVEMENTS

The City has continued its support of the Transit Authority program to move ahead as rapidly as possible with the modernization and improvement of the transit system by providing the capital funds needed to implement it.

During the year appropriations were made by the Board of Estimate and work started on capital improvements amounting to \$119,700,000. These included the following major projects:

Purchase of 450 IRT Subway Cars	\$49,103,000
Power Plant Modernization	35,964,000
IRT Broadway—7th Ave. Line Improvements	16,977,000
Purchase of 209 Diesel Buses	4,765,000
DeKalb Reconstruction	3,137,000
IRT Lexington Ave. Line Improvements	1,771,000
New Escalators and Elevators at 6 Stations	1,287,000
New Fluorescent Lighting on 16 Subway Stations	366,000

This year was notable for the progress made on the projects for the rehabilitation of the system and the replacement of old equipment.

The connection of the Dyre Avenue Line with the main line of the IRT was put into service on May 1, 1957, when the shuttle service was replaced with through service to the IRT Seventh Avenue Line. This project was started in 1949, but operation had been delayed by the non-availability of sufficient cars until this year. The improved rapid transit service should stimulate the development of the areas of the northeast Bronx served by this line.

The delivery of 380 new IRT cars during the year completed the replacement of old cars on the Pelham Bay Line, which provides the local service on the IRT Lexington Avenue Line. With all new cars which provide a more comfortable and pleasant ride for the passengers it has also been possible to cut the running time by 6 to 6½ minutes. New cars have also been put in service on the IRT Broadway Line, and as the additional cars now on order are received this line too will be equipped with all new

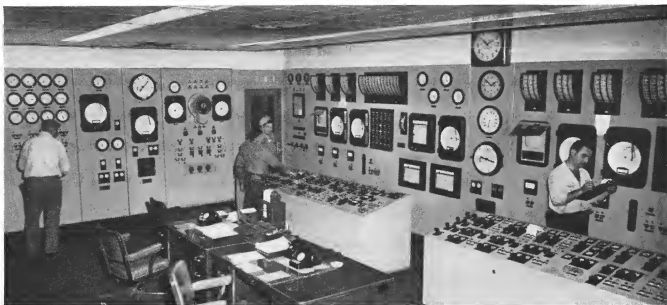
cars. The receipt of the new cars permitted the retirement of 421 old cars.

The delivery of 318 new diesel buses during the year, of which 108 were assigned to Staten Island, and 210 to Brooklyn to serve that borough and Queens, permitted the retirement of all gasoline buses, and all trolley cars. These new buses serve the rider better, cut operating and maintenance costs, and reduce air pollution from carbon monoxide produced by gasoline buses.

Work on the modernization of the Transit Authority's power generation and distribution system has progressed during the year. At the 74th Street Power Plant work is in progress on the installation of the third high pressure boiler of 450,000 lbs. of steam per hour capacity and on the installation of the second 60,000 Kw., 60 cycle, turbogenerator. The major portion of the new coal and ash handling facilities has been placed in operation and demolition of the remaining old waterfront equipment will now permit completion of the coal runway structure and fender system. At the 59th Street Power Plant work is in progress on the modernization of the old coal handling equipment and the replacement of high tension switchgear. At the Kent Avenue Power Plant work is in progress on the modernization of the antiquated coal and ash handling equipment and also on the installation of the third high pressure boiler of 575,000 lbs. of steam per hour capacity.

Work on the transmission and distribution system is well along at the 75th Street and 128th Street Substations and on the 69 Kv. cable lines between these two substations. Work is also in progress at the 59th Street Substation including the installation of one 30,000 Kw. frequency changer and at the Third Avenue, Brooklyn, Substation including the installation of two 30,000 Kw. frequency changers. The 69 Kv. cable lines, each of 60,000 Kw. capacity, interconnecting the three power plants are also well under way. All of this when completed will insure a safer, more efficient and more reliable Transit Authority power system.

On the IRT Broadway-Seventh Avenue Line contracts for lengthening station platforms between



74th Street Power Plant—new boiler control room.

Times Square and 96th Street are now under way, as is a contract for the modernization of signals in this area. Completion of this work, and delivery of 450 new high-speed IRT cars now on order, will provide fast 8-car local service. Trains will originate at 242nd Street, Dyckman Street and 137th Street. This will simultaneously provide a 92% increase in local service between 96th Street and South Ferry at practically the same running time as present express service, and also seats for persons from all of those areas. Completion of the contract for improving the facilities of South Ferry Station will speed up service by permitting the opening of all doors of 5 cars on each train, instead of the end doors only, as at present.

On the IRT Lexington Avenue Line work is now progressing at the IRT 59th Street, and BMT Lexington Avenue Stations which, when completed, will provide additional stairways and an escalator at this important transfer connection; and it is planned to let contracts early in 1958 for the construction of an IRT express station here. Platforms are being extended, some gap fillers are being eliminated and others replaced at the 14th Street Station to ease present congestion. By the end of 1957 it is expected that work will be under contract for lengthening and straightening the Brooklyn Bridge Station platforms, and the modernization of signals be-

tween Wall Street and Grand Central Stations.

Construction to increase the train capacity of the DeKalb Avenue Station, improve station facilities, and eliminate grade crossings north of that station has been under way since January 1, 1956. Completion of this work together with the completion of new tracks and a station in Chrystie Street, Manhattan, upon which work is expected to start late in 1957, will connect the BMT with the IND at Broadway-Lafayette Street Station, and permit operation of 18 additional trains per hour through the DeKalb Avenue Station. The resultant 25% increase in capacity will permit additional train service in a large part of Brooklyn and Manhattan. The new subway station on Chrystie Street in the vicinity of Grand Street will aid the lower east side of Manhattan.

During the year strip fluorescent lighting along station platform edges was completed at ten IRT stations, namely: Grand Central, Times Square, 5th Avenue and Vernon-Jackson Avenues on the Queens Line; Times Square on the 7th Avenue Line; Wall Street and Bowling Green on the Lexington Avenue Line; and Clarke Street, Hoyt Street and Nevins Street on the Brooklyn Line. Similar installations were under way at nine additional stations, namely: 34th Street and Times Square of the BMT Broadway Line; and on the IRT at 125th Street, 138th Street and 149th Street on the Lexing-

ton-Jerome Avenue Line; 149th Street on the White Plains Road Line; and Borough Hall, Brooklyn (2 stations) and Fulton Street on the Lexington Avenue Line. This is part of the long range program to provide more adequate lighting on all subway station platforms by substituting fluorescent lighting for the present incandescent lighting.

Work was started on the installation of new escalators at the important BMT - IND interchange point at Delancey and Essex Streets. The work on the new escalator at the IND - IRT interchange point at 73rd Street and Roosevelt Avenue in Queens will be put under contract in the late summer or early fall of 1957. Replacement of old elevators was started at the 168th and 181st Street Stations of the IRT Broadway Line in upper Manhattan, and of the old escalators at the 177th Street and Intervale Avenue Stations of the IRT White Plains Road Lines in The Bronx.

On the Rockaway Line the progress on the Mott Avenue (Far Rockaway) Terminal was impeded by slow delivery of steel, but it is expected that the station will be completed about the end of 1957. With the extension of service to Far Rockaway this line will be complete.

In all a tremendous amount of work on capital improvements was accomplished this year. Work on contracts amounting to \$91,477,000 was completed, and work progressed on contracts let in this and prior years amounting to \$264,546,000.



Work in process on Broadway at 66th Street as part of program of extending subway station platforms.

SERVICE CHANGES

During this year, for the first time since 1947, additional service was provided generally on existing rapid transit lines in order to serve the public better and to attempt to stimulate off-peak riding. A standard maximum interval of 20 minutes between trains during the midnight hours was established on May 1, 1957 for all lines except the Rockaway lines where it is 24 minutes. At all other times the interval is shorter. On some lines trains had been run at intervals up to 30 minutes during these same hours. At the same time express service on the IRT Woodlawn Line was continued into the late evening hours; the BMT express service in Manhattan was extended north from Times Square to 57th Street; and the shuttle service on the Dyre Avenue Line in The Bronx was replaced with through service to the Seventh Avenue Line. These changes added over 1,500,000 car miles annually. Earlier in the year rush-hour service was increased on the BMT Jamaica Line serving Queens to a train every 5 minutes, and the local service was extended to serve the stations from Eastern Parkway to Crescent Street.

The Rockaway Line was improved early in the year when power equipment, which had been unavailable at the beginning of the year as a result of a strike in the supplier's plants, was delivered and placed in service. Running time was reduced by 8 minutes in July, and by an additional 4 minutes in September. Adjustments in service, to match the disappointingly low level of riding, were reluctantly made in January 1957. As the year ended there were indications that riding would be heavier in the summer of 1957, and plans were under study to reduce the running time further, and improve the service as required.

On the surface lines the year was marked by the discontinuance of the last two trolley car lines on October 31, 1956. This marked the end of an era of over 60 years of electric trolley car operation in Brooklyn. Diesel buses were substituted for the cars. Service adjustments were put into effect in all four boroughs in which the Authority operates surface lines. These adjustments were made to provide better rush-hour service to meet morning and evening peak demands; to provide additional school bus service; and to reduce insufficiently patronized off-

peak service, particularly during the early morning hours from 1:00 to 5:00 AM. The increase in surface riding for the year indicates that this reduction in service had little effect on passengers.



Steel skeleton for a new escalator at Intervale Avenue Station on the White Plains Road Line.

MAINTENANCE OF EQUIPMENT

Continuing advances were made in improving the efficiency of rapid transit passenger car maintenance. At the beginning of the year the ratio of the number of cars maintained to the number of men required for their maintenance was 1.43. During the course of the year, as a result of reorganization of administrative procedures, improvements in shop methods, rescheduling of inspections and overhauls, acquisition and use of mechanical and labor saving equipment, and the delivery of new cars, this ratio had been increased to 1.64 indicating a significant increase in the efficiency of this operation. The improvements in maintenance and inspection practices, and acceleration in making repairs, resulted in a reduction in the number of cars held out of passenger service. The additional cars thus made available provided sufficient cars to meet schedule requirements on the Rockaway Line, to increase service on the BMT Brighton Beach and West End Lines, and for through service on the Dyre Avenue

Line, without the purchase of additional cars. Revised overhaul schedules were established, and during the year 765 cars received heavy overhauls which includes complete reconditioning of the car body and all equipment, replacement of defective parts, and painting of the interior; and 2109 cars received light overhauls which includes all necessary repairs or replacement of car components.

The first tests of air conditioned cars, late in the summer of 1956, were disappointing. Ten cars were equipped with a greater number of larger air conditioning units, and will be tested in operation starting during the summer of 1957.

In the maintenance of buses, revised diesel engine and torque converter rebuilding techniques doubled the life expectancy of engines and tripled that of the converters. A diesel engine dynamometer test room was placed in operation and all rebuilt engines are now tested on this machine, and proven, before being put into service. As a result of these and other improvements, maintenance costs were cut, service was improved and road failures of buses in service were cut in half.

During the year, 639 buses were completely overhauled, 445 were painted, 156 engines and 1287 torque converters were completely rebuilt, and 483 engines received major overhauls. New procedures in the salvage and reclamation of used parts, and



Magnaflux testing a rapid transit car axle to detect cracks.



Painting a bus in a spray booth with a drop floor.

improved methods of material control installed during the year further reduced material costs despite rising prices.

MAINTENANCE OF WAY AND STRUCTURES

This year was marked by accelerated progress in the transition from hand labor to mechanized operations in the maintenance of tracks. By the use of a power tamping machine, mechanical spike pullers and drivers, bolt tighteners, cranes, bulldozers, and other modern tools, track renewal has been accelerated from a rate of 20 feet per day by the old hand methods to 125 feet per day. Track inspection has been speeded up and improved by the use of rail cars which detect flaws within rail joints by ultrasonic testing. Detection of defects is faster and surer than by the older method of visual inspection by trackwalkers. These procedures together with newly designed track fittings, newer and simpler designs in switches, use of rust preventives, and of treated ties and timbers, will produce a track and roadbed in better condition with longer life. The result will be lower maintenance costs and a smoother, safer ride for passengers.

During the year 8,000 tons of rail were replaced, an additional 2,000 tons were transposed, and 80,500 ties were replaced. This is equivalent to the rebuilding or renewal of over 50 miles of track. In the same period, 11.38 miles of elevated struc-

ture, 32 elevated stations, and 33 subway stations were painted to preserve and protect them against the elements, and to improve their appearance.

ADMINISTRATION AND ORGANIZATION

On June 27, 1957 Mayor Robert F. Wagner reappointed Commissioner Joseph E. O'Grady for a new six year term as a Member of the Transit Authority. Commissioner O'Grady's original two year appointment expired on June 30, 1957.

A major organizational change was effected during the year with the establishment of a consolidated Station Department. Heretofore the supervision of all station manning and cleaning activities had been divided among the three rapid transit operating divisions which also controlled train operating functions. The new consolidated Station Department consists of nearly 6,000 employees, mainly Railroad Clerks and Porters with appropriate supervisory employees.

By dividing the system into geographical zones instead of the historical divisional organization, and subsequent review of personnel assignments and scheduling of various station duties, it was possible to improve the functioning of the department and reduce costs.

There also began during the year the consolidation of the timekeeping function within the Payroll Department. The keeping of time records of employees is fundamental in the correct determination of each man's earnings. This function had been performed separately in various operating departments. The personnel doing the work are being brought into one consolidated department where by better utilization of the employees resulting from the unification of many smaller groups it has been possible to reduce the total number engaged in this function and release the excess to fill vacancies in other departments.

In November 1956, after a long period of preparation and study, the Data Processing Department started operation in newly prepared quarters in the Transit Authority building with extensive card punching and tabulating equipment and an electronic computer.

Mechanical and electronic data processing methods are now being used to:

1. Maintain inventory and purchasing records to control purchases and the inventory of materials and supplies. The records of 6 of the Authority's 16 storerooms are already kept by machine and the remainder will be mechanized in the next year.
2. Record rapid transit car and bus mileage and prepare inspection schedules and statistics.
3. Check and audit fare revenue reports against actual remittance of railroad clerks and surface line operators.

4. Compile sick leave and accident statistics.
5. Prepare lists of absentees and replacements for the rapid transit transportation departments for use in crew assignments.

POLICE ACTIVITIES

The Transit Police Department has continued its fight against crime in the subways with increasing success. The most important single factor has been the increase in the size of the force in May 1956 to its present size of 900 men, the largest in the history of the transit system. On September 1, 1956, the Transit Police Department went on a



Data processing equipment installed in Transit Authority building.

42 hour week which further increased police coverage by 5%. Other important factors in establishing and maintaining the effectiveness and high morale of the police force have been an expanded training program, promotions to higher ranks, and prompt and widespread recognition of the many instances of outstanding police actions by members of the force.

At the request of the organizations representing the members of the police force, the Authority on October 4, 1956, established a sick leave plan for the Transit Police granting for any illness, $\frac{1}{2}$ pay for the first 3 days and full pay thereafter up to one year; and for disability arising from injury incurred during the course of duty, the difference between full pay and Workmen's Compensation awards, until recovery and restoration to duty.

The year's record shows a decrease in crime on the subways in the face of increasing incidence of crime generally throughout the country.

NUMBER OF CRIMES REPORTED

	Fiscal Year Ended June 30		Decrease	
	1956	1957	Number	Percent
Felonies	1,360	1,001	359	26%
Misdemeanors ..	4,442	2,982	1,460	33
Offenses	4,519	3,623	896	20
Total	<u>10,321</u>	<u>7,606</u>	<u>2,715</u>	<u>26%</u>

At the same time there has been increased success in promptly apprehending those guilty of criminal acts.

NUMBER AND PERCENT OF CRIMES CLEARED BY IMMEDIATE ARREST

	Fiscal Year Ended June 30, 1956		Fiscal Year Ended June 30, 1957	
	Number	% of Crimes Reported	Number	% of Crimes Reported
Felonies	180	13%	218	22%
Misdemeanors ...	660	15	876	29
Offenses	3,995	88	3,337	92
Total	<u>4,835</u>	<u>47%</u>	<u>4,431</u>	<u>58%</u>

The greater number of Transit Police on the subway, and the increasing likelihood of apprehension have undoubtedly had a deterrent effect on would-be criminals, and have made the subways a safer place for passengers.

In addition to its activity in preventing more serious crimes and apprehending malefactors, the Transit Police have increased their activity in issuing summonses for Sanitary and Traffic Code violations. The number of summonses issued for Sanitary Code violations increased by 8%, from 12,102 in the 1956 fiscal year to 13,147 this year. In August 1956 the Transit Police were empowered to issue summonses for illegal parking in bus stops and 7,036 were issued during the year, resulting in speedier bus service and greater safety and convenience for the bus passenger.

The Public Safety Squad which was established mainly to deal with disorderly juveniles on the transit system has had equal success. The number of cases referred to the Juvenile Aid Bureau of the New York City Police Department increased by 24% from 13,263 in the 1956 fiscal year to 16,425 this year. It is expected that this effort will result in better conduct by the many young people traveling on the transit system, mainly at reduced fares while going to and from school.

The Transit Police Department has enlarged its training activities during the year and has received the utmost cooperation from the New York City Police Department, the Federal Bureau of Investigation, and the New York City Department of Personnel.

On November 26, 1956, an Advanced Training School was established by the Transit Police Department with instructors from within the Transit Authority and the Federal Bureau of Investigation, and has given advanced training to 660 members of the force. The New York City Police Department has trained 100 members of the force in its school for detectives; 15 members are participating in the Police Science program which it conducts at the College of the City of New York; and it has made its pistol range available to members of the Transit Police. Fifty members of the Transit Police have taken a course in Transit Police Administration given by New York University in conjunction with the New York City Department of Personnel Training Program.

It is confidently expected that these activities will continue to increase the effectiveness of the Transit Police Department in preventing crime on the transit system, and in speedily apprehending those who do commit crimes.

PERSONNEL AND LABOR RELATIONS

As of June 30, 1957, the Authority had the following number of operating and construction employees:

	No. of Employees June 30, 1957
Rapid Transit Service Titles,	
Hourly	32,268
Per Annum (Supervisory)	3,926
City Wide Titles (Administrative, Clerical, Engineering, etc.)	
Hourly	35
Per Annum	3,126
Total	39,355

This is a reduction of 2,102 employees under the number in place on July 1, 1956, accomplished by attrition. The greatest reduction in numbers was in the hourly paid group. The greatest percentage reduction was in the per annum group with City wide titles.

On December 22, 1956, the Authority granted to employees covered by the Career and Salary Plan an annual leave allowance of 25 days to be used for vacation, personal business and days of religious observance. Previously, these employees had been allowed 21 days of vacation, with no provisions for personal business or religious observances.

On June 13, 1957, the Authority, after extended discussions with representatives of its employees, determined to provide Federal Old-Age and Survivorship Insurance Coverage (Social Security) to its employees who desire it, retroactive to the first quarter of 1956, in accordance with legislation enacted by the New York State Legislature and approved by the Governor in 1957, which made coverage possible. The procedures for election of such coverage by the employees will be carried out in the summer and fall of 1957.

The Authority has continued its policy of dealing with the organized groups elected by the employees to represent them. It extended this policy to its Architectural, Engineering, Inspection and Scientific employees when on August 2, 1956 it authorized the holding of a representation election among these employees. The election was conducted early in September by the American Arbitration Association, and on September 27, 1956 the Civil Service

Technical Guild, Transportation Chapter No. 2, Local 375, American Federation of State, County and Municipal Employees, AFL-CIO, was certified as having received a majority of the votes cast. On November 8, 1956 the Authority by resolution authorized the voluntary checkoff of dues for members of this organization.

GRIEVANCES

The Authority took another step in implementing its policy of putting its relations with its employees on a stable business-like basis in September 1956. It then modified its agreements of July 1, 1954 with the organizations representing its hourly paid employees to provide for the appointment of an Impartial Arbitrator with power to make final and binding decisions in grievances appealed to him in accordance with the provisions of the agreements. Heretofore, the last step in the grievance procedure had been to an Impartial Advisor whose decisions were advisory only, and not binding upon the Authority. Theodore W. Kheel, Esq., was appointed as Impartial Arbitrator by agreement between the Authority and the organizations of its hourly paid employees.

With the exception of a few dissident groups of hourly rated employees seeking immediate recognition by the Authority in violation of existing agreements, relations with the employees in the day to day conduct of operations were good. There were fewer grievances presented by employees or their organizations than in the preceding year, 381 in comparison with 459. Of the 381 grievances processed during the year, 3 involved objections to work schedules, 115 were for alleged violations of rules or working conditions, and the remaining 263 were claims for the payment of the differential between full pay and Workmen's Compensation awards for employees injured on the job. The number of grievances that could not be settled within the Authority and were appealed to the Impartial Arbitrator was 31. Of these 31 appeals 13 were granted in whole or in part, 10 were denied, 1 was withdrawn, 3 were referred back for further negotiation, and 4 were still awaiting decision at the end of the year.

DISCIPLINE

The Authority took action by resolution on February 27, 1957 to revise its existing system of administering employee discipline to insure uniformity in the application of its rules and regulations, and to free department heads from the time-consuming duty of holding employee hearings to permit them to devote their full attention to their primary operating duties. The Authority was convinced it could best achieve these aims by vesting the duty of presiding at and conducting hearings of charges preferred against employees in a Hearing Referee. This official is to be a member of the Bar of the State of New York of at least 10 years standing; with varied experience in employer-employee relationships, particularly in the field of public service; or with experience as a hearing officer. Nelson Seitel, Esq., was appointed to the position of Hearing Referee effective March 1, 1957.

On June 4, 1957 the Authority revised its procedure governing the disciplining of employees for violation of its rules and regulations, for misconduct, or for incompetence. The revised procedure requires that in all cases which in the opinion of the Department Head warrant a penalty of more than 3 days suspension without pay the employee must

be served with a written copy of the charges against him and the reasons therefore, and the matter then be referred to the Hearing Referee for a hearing of the charges. The employee is entitled to be heard at such a hearing and to be represented by a member of the Bar of the State of New York, and a record of the hearing is made. If the employee is found guilty of the charges, the Hearing Referee is empowered to impose a penalty of suspension without pay for not more than 30 days, or a fine not to exceed \$50 to be deducted from his pay. If the Hearing Referee deems that the penalty should be suspension without pay for more than 30 days, or demotion in grade and title, or dismissal, he must submit the record of the case with his recommendation to the Authority for review and final decision.

Department Heads are authorized to punish an employee guilty of misconduct or a violation of any rule or regulation by reprimand or suspension without pay for a period not exceeding 3 days, after granting an interview to the employee at which the employee may also be represented by a member of the Bar of the State of New York. The employee has the right to appeal to the Hearing Referee for a review of such departmental penalty, and the Hearing Referee is empowered to modify such a penalty upon the record, or may take testimony, allow written or oral statements, and hear arguments.



Employee training—supervisors and signal maintainers checking new equipment in signal school.



Employee training—supervisors studying the operation of the control apparatus on a new rapid transit car.

TRAINING

During the year over 9,000 Authority employees received formal training in a great variety of subjects to enable them to do their jobs better or to advance to higher grades. This does not include informal training in the course of normal job supervision. The subjects taught covered the entire spectrum of Authority activities. Nearly 5,700 employees in many grades and titles took technical training courses that covered a field of subjects ranging from a "Basic Electricity" course given to 45 Signal Helpers, to a course attended by 10 administrative employees on the "Univac 120" electronic computer. Over 2,200 Motormen and Conductors received instruction to qualify them in the duties of their positions, or in the operation of new equipment, or to operate over new lines. Supervisory employees also participated in the training program: 430 of them took courses in human relations, work supervision, labor-management relations, work simplification, and other supervisory techniques. There were many other types of training given to other groups, for example, 60 secretaries of department heads and other executives were given a refresher Secretarial Training course, and 13 employees in various departments took a course in Management Methods and Time Study Techniques. Safety training was given to 100 employees and 20 First Aid Instructors were given

additional training by the Medical Department. In order to assist them in preparing for Civil Service examinations, over 600 eligible employees took specific preparatory courses.

In nearly all cases instruction was given by employees of the Authority. The New York City Department of Personnel, and the Board of Education Evening Vocational Program, gave invaluable assistance in arranging many courses, and in training instructors in some courses. Aid was also received from many other agencies, both public and private.

PUBLIC RELATIONS

The Public Relations Department this year began to explore a new field; that of attracting riders on weekends and in off-peak hours, by calling to the public's attention the ease and economy with which recreation seekers could reach favorite sports, pastimes, and places of interest via transit lines. The Rockaway line was the subject of one aspect of this, and weekend revenue passengers in the late spring and early summer increased substantially. Part of the increase undoubtedly was due to the weather, which was hot and dry early in the summer. But some part was due to "selling" of transportation. A long range program of persuading the public to avoid the jammed weekend roads and take to the subway and buses seems likely to be productive.

The Authority continued to make available to the



Grand Central Station, IRT Flushing Line—with old incandescent lighting.



Grand Central Station, IRT Flushing Line—after installation of new fluorescent lighting.

press, TV and radio all information, no matter in what light the facts could tend to place the Authority. The sole question in determining what should be given out was: Is it a fact? The Authority believes that the public is entitled to know all the facts, whether they concerned accidents, delays, labor relations, good acts—or bad—on the part of employees, and that such complete knowledge is more important than any favorable publicity.

Newspaper publicity was also used in many ways to get the public to know the transit patrolman, the motorman in the cab, the cleaner of buses, the maintainer, the clerk, the bus driver, the platform guard, the third-rail maintainer. Newspapers and periodicals usually find it difficult to get interesting stories about such men. But the motorman who is also an artist, the train dispatcher who is a poet, the towerman who writes songs, the railroad clerk who always got back the nickels or dimes he loaned to stranded passengers—these are stories, often first published in TRANSIT, the Authority's employee magazine which find their way into the press and give the public a better, more sympathetic understanding of the day-by-day problems of transit workers and creates a feeling of friendliness between customer and worker.

LITIGATION

Some of the cases litigated by the Authority's General Law Division during the past year were legal milestones in the fields of municipal law and public labor relations. The first of these cases resulted from the work stoppage by a number of motormen on June 14, 1956, which crippled our rapid transit lines. To prevent a resumption of this stoppage, the Authority sought and obtained from the New York Supreme Court an injunction, *pendente lite*, against a strike, thereby establishing that this labor weapon is not available to public employees. The imposition of the injunction was subsequently affirmed by the Appellate Division (*New York City Transit Authority v. Loos*, 3 App. Div. 2d 740). Subsequent threats to ignore the injunction and to resume the strike resulted in a Supreme Court order holding the ringleaders of the strike and their organization in contempt of court (*New York City Transit Authority v. Loos*, N.Y.L.J. Dec. 20, 1956.) The court's sentence was

suspended so long as the provisions of the injunction were observed.

As a result of their unlawful activities, these ringleaders and the officers and committeemen of the organization instigating the stoppage were charged with misconduct and given a full-scale disciplinary trial comprising 1,700 pages of testimony. Five of these employees were dismissed by the Authority and 21 were fined. The action of the Authority was reviewed by the Appellate Division, Second Department, which sustained these dismissals while modifying the fines imposed (*Loos v. New York City Transit Authority*, N.Y.L.J. July 2, 1957).*

Another noteworthy court decision, the first in New York State, was the affirmation on May 20, 1957, by the Appellate Division, Second Department, of the validity of a contract between the Authority and the unions representing the employees. In its decision in *Civil Service Forum v. New York City Transit Authority*, (aff'd. 4 App. Div. 2d 117), the court sustained the power of the Authority to enter into a fixed-term, written agreement covering wages and working conditions with labor organizations representing its employees. In reaching this conclusion, the court gave great weight to the fact that the Authority is required by statute to run the transit system on a self-sustaining, business-like basis. The court determined that, as a result, the Authority should be permitted to engage in recognized business practices if they are fairly found within its express or implied powers, and are not prohibited by any provision of law. The court further held that in granting the exclusive right to represent employees in the grievance procedure to unions which prevailed in an election held to designate such representatives, the Authority was not violating any constitutional or statutory rights of its employees, since the written agreement expressly preserved the right of individual employees to present their own grievances.

* On August 23, 1957, the five dismissed motormen individually wrote to the Authority requesting reinstatement. The Authority interviewed the men on August 27, 1957. They stated they felt that their 14 months of unemployment was sufficient punishment, and that if reinstated to their previous positions they would not engage in any strike, slowdown, work stoppage or any other concerted job action which would interfere with the operations of the New York City Transit System or the full performance of their duties. After consideration, the Authority reinstated the men effective August 30, 1957, subject to the approval of the New York City Civil Service Commission.

LEGISLATION

The 1957 session of the New York State Legislature enacted virtually the entire legislative program submitted by the Authority. Several of the proposed bills were designed to extend to the Authority statutory benefits enjoyed by The City of New York, such as exemption for the Authority from compulsory insurance for the motor vehicles which it operates and from posting bonds as security for certain court costs. The Legislature also, by adjusting the salaries of the Authority Members, gave recognition to the achievements of the present Authority. This, in turn, permits the Authority wider latitude to compensate properly its top management personnel.

Of equal importance to the Authority was the defeat in the Legislature of several bills which would have granted benefits above and beyond those agreed upon in the contracts between the Authority and the unions. The passage of these bills would have handicapped the Authority's efforts to operate on a self-sustaining basis and maintain the present rate of fare. Notable among these bills was one restoring the first day of paid sick leave; others would have granted other costly benefits. A bill requiring public hearings by the Board of Estimate in cases of substantial re-scheduling of bus service was passed by the Legislature, but vetoed by the Governor.

In both sponsoring and opposing legislation, the Authority submitted detailed, analytical memoranda to the majority and minority leaders of both houses, to the Chairmen of various interested legislative committees, and to the Governor. This cooperation was greatly appreciated by the Members of the Legislature and was credited in large measure for the success of our program.

LEGISLATIVE INVESTIGATION

By unanimous vote of the New York State Senate on January 21, 1957, a resolution was adopted authorizing a general inquiry into the Public Transit System in New York City by the Senate Committee on the Affairs of The City of New York. This was the first such investigation of the transit system since the formation of the Board of Transportation in 1924.

The Committee announced that it would direct

its inquiry to the following four subjects:

1. Labor Relations and Personnel Administration
2. Disposition of the \$500 Million Debt Limit Exempt Bond Issue.
3. Disposal of the City Owned Bus Lines.
4. Disposal of the City Owned Power Plants.

The Committee retained counsel and experts to procure the necessary material and information for the investigation and held public hearings in New York City on March 1, 7 and 8, 1957, on the first three of the above matters.

The Transit Authority welcomed the investigation as an opportunity to make clear its policy on these matters, and in the expectation and belief that it would result in legislation to assure industrial peace on the transit system and relieve the City from the threats of future strikes.

On the subject of labor relations the Authority stated that it was in favor of legislation that would establish ground rules for its labor relations policies. It also stated that it believed it had the right to enter into contracts for a fixed term with organizations representing its employees, that the employees had the right to be represented by organizations of their own choice, and that they were entitled to elections to determine the organizations of their choice; and that it had been conducting its labor relations on these bases. It emphasized that it was opposed to elections during the term of a contract entered into in good faith, which irresponsible people wanted to upset.

It also pointed out that there were many knotty questions to be resolved in drafting legislation. One is what categories of employees should be covered by such legislation, since the Authority employs hourly rated men, many categories of supervision, professional employees, and others. Another is the question of the units in which employees might vote to designate their representatives. A third would be on the machinery to resolve disputes about the terms of a new agreement if the parties fail to agree, in view of the legal requirement that the Authority operate on a self-sustaining basis.

In discussing the use made of the \$500 million for transit purposes exempted from the New York City debt limit, the Authority stated its conviction that the money had been wisely spent for improve-

ment and modernization of the transit system, and that it would have been foolhardy to have embarked on the construction of the Second Avenue Trunk Line program, which the \$500 million would be insufficient to complete; while permitting the existing system to deteriorate for lack of funds. It pointed out that the continued investment of capital funds in the transit system is essential for its well-being and progress. These funds must, by law, come from the City. And since it appeared that the City had no choice but to use the exempt funds to improve the existing lines, it did the proper and wise thing in expending them for this purpose.

In discussing the disposal of the bus lines, the Authority stressed the improvements that had been made in the surface operations, and the reduction in the deficit (now eliminated). It pointed out that the surface lines for which there are prospective purchasers were operating on a self-sustaining basis and were then beginning to offset the continuing Staten Island deficit. Therefore, if only the profitable lines were sold, and the Authority left only with the Staten Island Lines, its operating position would be worsened.

It also explained some of the difficulties inherent in the sale proposal, namely the disposition of the many employees now engaged in the surface operation who would not be taken over by the prospective purchasers, the likelihood that the level of service furnished to the riders would be reduced, and the danger that if private operators could not run the lines profitably the City might be forced to repossess them to provide the essential service.

There was no hearing on the disposal of the power plants since the Committee had not had sufficient time to study the matter.

During the legislative session of 1957 the Senate extended the life of the inquiry under an increased appropriation with a report to be submitted at the next session. On May 13, 1957, the Chairman of the Committee submitted an interim report to the Legislature, and indicated that additional hearings would be held in the fall of 1957. On May 15, 1957, 5 members of the Committee submitted a minority report.

THE ASTOR PLACE FIRE

On Saturday afternoon, July 14, 1956, a fire was discovered in the old north building of what had

been the Wanamaker Store on Astor Place. The empty building was being demolished at the time. The fire grew into one of the worst fires in the history of New York, and before it was over, 50,000,000 gallons of water had been poured on it.

Two subway lines are adjacent to this building. On the west is the BMT Broadway Line with a station on 8th Street. Glass panel doors from the station lead directly into the basement of the Wanamaker Building. On the east is the IRT Lexington Avenue Line, with a station at Astor Place.

Water poured on the fire soon filled the basement and sub-basement of the building and started entering the BMT Line through door cracks. Sandbag barricades were built in front of the doors which were braced against the pressure of the water rising inside. Fire Department pumps and Transit Authority pump cars went into operation to eject the flood from the subway. Northbound local service was shifted to the express tracks, but trains continued to run with only occasional and minor interruptions.

On the east side the Astor Place Station was inside the fire lines and was closed, and smoke was the only sign of fire. However, water poured on the fire seeped through and under the cellar walls of the burning building, and at 11:50 P.M. on Saturday, the roadbed of the line crumpled beneath a 5-car southbound local train entering the Astor Place Station. The flow of water had washed out a semi-circular void 250 feet long beneath the subway.

The few passengers on the train were walked safely through the cars and into the Astor Place Station. The water rose through the break and poured down the subway to the north, filling low areas at the 14th and 23rd Street Stations. Service between Brooklyn Bridge and 42nd Street was stopped, and the few trains in the area were run out. The train at Astor Place remained held up by the rails with the four cars over the water-filled void forming a shallow "V" as the couplers held the train intact.

Engineers of the Authority surveyed the damage and determined that reconstruction was beyond the scope of the Authority's forces. On Sunday, Spencer, White and Prentiss, Inc., an engineering and construction company with an international reputation as outstanding specialists in difficult un-

derpinning and foundation work, was engaged to start the rebuilding job.

The survey showed that the bottom had washed out under the two westerly tracks, the southbound local and express tracks, and that the northbound express track was undermined slightly. Fortunately, the side walls and roof of the subway held, without settlement.

The train suspended over the washed out portion of subway was removed Monday afternoon by bringing up work trains north and south of it, parting the central coupler, and pulling out the two sections.

On Monday evening the water was pumped and drained away, and the work of cleaning up began with 100 men working around the clock. The cleaning up was finished by Tuesday, shoring was placed under the hanging roof columns, and an access hole

was cut through the roof and the street pavement. On Wednesday, 350 cubic yards of quick-setting concrete were poured to make a new foundation for the structure and roadbed. Track gangs brought in ballast, ties, rails, and fittings on Thursday, and cables and signal equipment were tested for damage by water and repaired as required.

On Friday, July 20, 1956, at 12:02 a.m., 5 days and 12 minutes after the bottom dropped out, service through Astor Place was resumed.

The newspapers, TV, and radio, which had helped by prominently featuring TA announcements of alternate routes and services for the riders in the area, and had reported the progress of reconstruction in bulletins as from a battlefield, summed up the job neatly. One evening paper wrote on Friday, "The Miracle of Astor Place" was done.



Subway north of Astor Place Station after flood water was pumped out and before structure was restored.

PLANS AND PROGRAM

In this, its second year of operation, the Authority has continued to work under the same general policies which guided it during its first year, and it plans to follow them in the immediate future. In its operations it will seek for greater efficiency in performing the tasks necessary to furnish the best service to its customers by better organization of the work, better utilization of personnel, and maximum use of mechanical and labor saving tools and equipment. In its capital program it will continue to place major emphasis upon the modernization of the system and the replacement of outdated rolling stock. Careful study will be given to proposals for the construction of new lines, especially as the system will be affected by the forthcoming recommendations of the Mayor's Rapid Transit Planning Committee, and the Metropolitan Rapid Transit Planning Commission.

OPERATING PROGRAM

In the coming year the Authority will continue to seek better ways of carrying on its many maintenance jobs.

In the maintenance of rapid transit cars, studies are under way for further consolidation of inspection and repair operations. There are on order machines that will turn car wheels to correct contours without removing them from the car trucks so that this work can be done more frequently and with greater ease, to extend wheel life and improve the passengers' ride. A program has been started to rebuild 900 BMT cars to improve their performance and appearance and increase passenger comfort. The installation of headlights on work trains and the newer cars will make work on the tracks safer, and will give train crews a better view of the tracks ahead of them.

New cleaners that will remove dirt and litter from buses with blasts of air will be tested.

In track maintenance, additional tools and machines will further reduce the amount of manual labor required. Plans are under study for the acquisition of a rail grinding train to smooth out

rough spots and corrugations in rails while they are in place, in order to increase the life of track, give a smoother and quieter ride, and reduce wear on equipment.

A start has been made on the complete rehabilitation of the Myrtle Avenue Line, the oldest elevated line remaining in Brooklyn and serving an area without other rapid transit facilities. This involves necessary repairs to the structure and the stations, replacement of track and ties, and a complete paint job. It is expected that this will be completed during the coming year, and at that time newer cars will replace the old elevated cars now operated on the line.

The work of the Data Processing Department will expand, and it is expected that the next year will see the start of payroll production on the machines.

Training programs will be continued and a methods improvement program will be initiated that should stimulate interest among all employees in devising improvement that will make their jobs easier and more productive.

CAPITAL PROGRAM

A major question to be resolved is that of the fate of the City-owned power generating plants that are operated by the Authority and provide about two thirds of the power needed for the operation of the transit system.

On January 21, 1957 the Consolidated Edison Company of New York, Inc. made an offer to the City to purchase these plants. It offered to take over the operation of the plants, pay \$9,000,000 per year for ten years to the City, and then take title to them. It required the City to complete certain phases of the modernization program under way. It offered to the Transit Authority a firm price for power for 10 years at a rate slightly less than the Company's rates on file with the Public Service Commission, and an option for an additional 10 years for power at a rate 5% below the filed rates during the period.

The Mayor asked the Authority to analyze the

proposal and report to him. In a report dated February 21, 1957 the Authority submitted a complete analysis with the following summary and recommendations:

"Summary and Recommendations

"In summary,—at the loss of \$72,600,000 in the value of its three power generating plants, based on current assessed values and expenditures to be made under the terms of the proposal, the Consolidated Edison Company proposal offers the City a potential saving of about \$100 million in future capital expenditures planned for the complete modernization program; and some additional tax and rental income. The estimated future savings in debt service charges are a reflection of the reduction in future capital expenditures.

"The proposal does this by shifting the burden to the users of the transit system in higher power costs. In the later years of the contract the magnitude of the increase in power costs may result in a higher fare. At the expiration of the 10 year contract if present operating conditions still prevail, the increase in power costs at the rates shown, as compared with the costs of production in modernized plants, will result in such an increase in operating expenses that the pressure to increase the 15¢ fare will probably be irresistible.

"It can be expected that at the end of the 10 year contract power costs will increase. The experience of the Board of Transportation strengthens such a prediction. In 1952, at the termination of a contract with the Consolidated Edison Company for the supply of power for the IND Division, power rates increased about 50%, resulting in an increase of slightly over \$3,000,000 per year in operating costs. The offer of a firm price by the company for only 10 years, and the special problems arising out of the use of 25 cycle power, make an increase at the end of the contract period almost a certainty. In that event, either the riders will have to bear the greater burden, or the City will have to convert its substations to use 60 cycle power at a capital cost now estimated at \$200 to \$250 million.

"Based on our analysis we recommended rejection of the proposal made by the Consolidated Edison Company for the following reasons:

"1. In comparison with the value of the three City owned power plants the price offered is too low.

"2. It irrevocably commits the City and the Transit Authority to the purchase of power for the transit system at a cost higher than the cost of producing power in modernized City-owned plants. The estimates used by the company in its proposal acknowledge this.

"3. The terms offered in the 10 year contract do not give the assurance of a long term supply of 25 cycle power at a favorable rate, that is guaranteed by modernized City-owned plants with equipment whose economic life is 40 years. Without such assurance, the Transit Authority will be faced with much higher

rates for 25 cycle power at the expiration of the contract, or the City will be faced with the necessity of tremendous capital expenditures to change its substations to use 60 cycle power earlier and faster than if it modernizes the plants."

On March 11, 1957 the Consolidated Edison Company again wrote to the Mayor, and in addition to a minor clarification of its offer, it offered to stipulate in any proposed agreement that the rate for 25 cycle power, including the extension of the firm 10 year contract, would be no higher than 5% below the filed rates for 60 cycle power. It also offered to stipulate that the Company would be ready to furnish 25 cycle power to existing 25 cycle substations for not less than 40 years.

On February 21, 1957 the Mayor appointed a committee to study the offer and the Authority's report and to submit its findings and recommendations to him. The Committee has retained engineering consultants and is now making the study.

In the meantime the Authority is continuing the modernization program with capital funds supplied by the City and will ask for additional funds for 1958. No other course is possible at this time—to suspend the program while the matter is under study would waste irrecoverable time, increase costs, and greatly weaken the City's bargaining position if a sale should be contemplated.

A somewhat similar situation exists in the possible sale of the surface lines. The results of operations for this year have demonstrated that the surface operation as a whole can be made self-sustaining, thus conforming to the spirit of the Transit Authority Law, and justifying the Authority's conviction that this result could be achieved. This result also bolstered the Authority's stated position that a sale that did not include the Staten Island Lines would worsen its financial position and increase pressures to raise the fare. No offer to buy the Staten Island Lines has been made.

Here, too, the Authority will request capital funds for 1958 for new buses and other facilities needed for a more successful surface operation.

The programs for improvement of the IRT Lines will be pushed vigorously in the coming years. The DeKalb Avenue Station reconstruction and improvement is well under way, and the first contract for the Chrystie Street connection will be let in the fall of 1957.



Dyre Avenue Line—serving the northeast section of The Bronx.

Funds will be requested for the purchase of additional IRT rapid transit cars to replace equipment approaching 50 years of age. Studies of lighter weight cars that would be less expensive, and require less power, while maintaining or improving capacity, speed, and safety, are under way and will be completed before the new cars are ordered.

Many other improvements are planned, such as the continuation of the program of installing fluorescent lighting on station platforms, improvements in crew quarters, additional escalators, and the purchase or construction of other facilities needed on the system.

The construction of new lines or extensions to existing lines continues to be studied. Besides the projects being investigated for the Mayor's Rapid Transit Planning Committee, funds will be requested for an intensive study of the proposed Nosstrand Avenue Extension. This study will include a review of the population figures in the area to be served by the proposed extension based on the latest

census; a complete analysis of the effect of an extension on the patterns of riding on the surface lines in the area and the existing rapid transit lines nearby; and a study of various possible plans of construction and operation.

There is arising throughout the nation an awareness of the problems arising from the urbanization of hitherto suburban and rural areas, and the growth of metropolitan regions, of which New York is the greatest. There is also growing the realization that the solution to the problems of movement of people and goods within and through these regions does not lie entirely in the construction of new highways. There is new interest in the potentialities of mass transportation. New forms of transportation, new patterns of organization, and new possibilities of governmental support are being considered. New York City has been a leader in providing mass transportation, and it can look to the future with confidence that it will not be surpassed.

NEW YORK CITY
Statement of Assets and Liabilities of New York City
As of June 30, 1964

ASSETS AND OTHER DEBITS

CURRENT ASSETS

Operating Fund	\$53,271,571.59	
Cashier's and Imprest Funds	443,159.54	
Investments—U. S. Treasury Bonds at Cost	18,935,937.51	
Accounts and Interest Receivable	2,761,745.63	
Total Current Assets		\$75,412,414.27

MATERIALS AND SUPPLIES

Materials and Supplies	\$21,118,318.00	
Less Reserve for Inventory Adjustments	333,532.70	
		20,784,785.30

DEFERRED DEBITS

Work in Progress	\$ 1,987,697.33	
Prepayments	92,185.30	
Other Suspense	369,114.89	
		2,448,997.52

SPECIAL DEPOSITS WITH THE AUTHORITY

Deposits by Concessionaires and Lessees—Securities	\$ 529,000.00	
IRT Voluntary Relief Fund	186,595.13	
Transportation Health Insurance Fund	97,628.26	
Associated Hospital Service—United Medical Service Fund	43,041.92	
		856,265.31

TOTAL ASSETS AND OTHER DEBITS		\$99,502,462.40
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TRANSIT AUTHORITY
New York City Transit System Operations
June 30, 1957

LIABILITIES AND OTHER CREDITS

CURRENT LIABILITIES

Vouchers Payable	\$ 660,965.85	
Accounts Payable	7,020,610.77	
Accrued Payrolls	3,533,005.94	
Accrued Liability	15,706,223.64	
Total Current Liabilities		\$26,920,806.20

OTHER LIABILITIES

Loan Payable—The City of New York (See Note)	\$ 6,666,666.67	
Advance from State of New York	100,000.00	
		6,766,666.67

LIABILITY FOR PREPAID TRANSPORTATION

Unredeemed Tokens	\$ 1,802,565.90	
Unredeemed Tickets	88,307.33	
		1,890,873.23

RESERVES

Public Liability	\$ 6,719,170.08	
Workmen's Compensation	2,553,548.21	
Deferred Maintenance	6,876,096.00	
		16,148,814.29

FIDUCIARY LIABILITIES

Concession and Leasehold Deposits	\$ 604,577.50	
Trustee, IRT Voluntary Relief Fund	186,595.13	
Transportation Health Insurance Plan	97,628.26	
Associated Hospital Service—United Medical Service	43,041.92	
		931,842.81

OTHER DEFERRED CREDITS	3,281,941.64
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WORKING CAPITAL PROVIDED BY THE CITY OF NEW YORK*	19,209,092.39
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EXCESS OF REVENUES OVER EXPENSES

For the period June 15, 1953 to June 30, 1956	\$17,842,451.24	
For the Fiscal Year ended June 30	6,509,973.93	
		24,352,425.17

TOTAL LIABILITIES AND OTHER CREDITS	\$99,502,462.40
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NOTE: Loan Payable—The City of New York:

Under the terms of Sec. 4.3, Article IV of the Agreement of Lease between The City of New York and New York City Transit Authority, dated June 1, 1953, the City advanced to the Authority \$10,000,000.00, such sum to be repaid to the City in nine (9) equal annual installments commencing July 1, 1954.

* Represents Materials and Supplies furnished by the City of New York as of June 14, 1953, less reserve.

NEW YORK CITY TRANSIT AUTHORITY

Statement Showing Results of Operation

for 12 Months Ended June 30, 1957

	12 Months Ended June 30, 1957		
	Total	Rapid Transit	Surface
REVENUES:			
Passenger Revenues	\$258,069,244.21	\$200,738,824.56	\$ 57,330,419.65
Advertising and Other Privileges	4,682,395.21	4,536,901.73	145,493.48
Other	1,756,996.97	1,376,559.41	380,437.56
Total Revenues	\$264,508,636.39	\$206,652,285.70	\$ 57,856,350.69
OPERATING EXPENSES:			
Productive Time	\$168,386,045.32	\$128,577,592.06	\$ 39,808,453.26
Vacations, Holidays and Sick Leaves	17,904,431.59	13,790,330.18	4,114,101.41
Differential over Workmen's Compensation	179,301.50	137,222.86	42,078.64
Military Duty	177,631.04	112,581.49	65,049.55
Other Allowances	573,143.47	444,069.24	129,074.23
Total Salaries and Wages	\$187,220,552.92	\$143,061,795.83	\$ 44,158,757.09
Contributions to New York City Retirement System	17,200,000.00	13,199,213.41	4,000,786.59
Health Insurance Plan	2,174,381.34	1,703,048.55	471,332.79
Coal and Fuel for Power	8,971,386.10	8,774,821.34	196,564.76
Gasoline and Diesel Oil for Buses	1,942,133.99	—	1,942,133.99
Other Materials and Supplies	11,529,187.49	8,749,196.20	2,779,991.29
Power Purchased	11,058,823.04	11,058,823.04	—
Rental of Tires	743,530.78	—	743,530.78
Reserved for Public Liability and Workmen's Compensation	4,900,698.50	2,591,574.97	2,309,123.53
Reserved for Deferred Maintenance	6,200,000.00	6,126,654.12	73,345.88
Miscellaneous	6,057,968.30	4,884,089.00	1,173,879.30
Total Operating Expenses	\$257,998,662.46	\$200,149,216.46	\$ 57,849,446.00
EXCESS OF REVENUES	\$ 6,509,973.93	\$ 6,503,069.24	\$ 6,904.69
Revenue Car and Bus Miles	372,481,135	305,303,613	67,177,522
Revenues per Car and Bus Miles	71.01¢	67.69¢	86.12¢
Expenses per Car and Bus Miles	69.26¢	65.56¢	86.11¢
Revenue Passengers	1,770,287,856	1,355,383,900	414,903,956
Average Rate of Fare	14.58¢	14.81¢	13.82¢
Revenues per Revenue Passenger	14.94¢	15.25¢	13.94¢
Expenses per Revenue Passenger	14.57¢	14.77¢	13.94¢
Number of Employees	38,537		
Annually Rated	6,234		
Hourly Rated	32,303		